

Suri Klein

Lion Communications, Inc.,

5418 16 Avenue

Brooklyn, NY 11204



Universal Service Administrative Company

Schools and Libraries Division

Demand Payment Letter

SECOND REQUEST

( Funding Year 2011: July 1, 2011 - June 30, 2012 )

September 26, 2013

Suri Klein  
Lion Communications, Inc.  
5418 16 Avenue  
Brooklyn, NY 11204

- PAST DUE NOTICE -

THIS NOTICE PROVIDES IMPORTANT INFORMATION ABOUT YOUR  
ACCOUNT AND YOUR RIGHTS AND OBLIGATIONS UNDER LAW

Re: SPIN: 143034503  
Form 471 Application Number: 820336  
Funding Year: 2011  
FCC Registration Number:  
Applicant Name: KOLLEL L'HORAUH  
Billed Entity Number: 16064106  
Applicant Contact Person: David Markowitz  
Payment Due By: 9/26/2013

You were recently sent a Demand Payment Letter informing you of the need to recover funds for the Funding Request Number(s) (FRNs) listed on the Funding Commitment Adjustment Report (Report) attached to this letter. Our records indicate that you have not responded to the Demand Payment Letter. As of 9/26/2013, the debt is 31-60 days past due. Because you did not pay the full amount, it is past due (delinquent), and it is legally enforceable.

THE FOLLOWING PROVISIONS CONTAIN IMPORTANT INFORMATION AND A DESCRIPTION OF LEGAL RIGHTS, OBLIGATIONS, AND OPPORTUNITIES

1. Pursuant to the provisions of the Debt Collection Act of 1982 (Public Law 97-365) and the Debt Collection Improvement Act of 1996 (Public Law 104-134), as amended (the DCIA), as set forth below, continued failure to make the demanded payment has resulted in the assessment of administrative charges, penalties, and interest, and it may result in sanctions, including, but not limited to, administrative proceedings or judicial action to recover the outstanding debt.
2. Unless we receive full payment, evidence that the debt is not owed, or a request for installment payment plan for repaying the outstanding debt within 30 days of the date of this letter (Demand Date), pursuant to the DCIA, you may incur additional charges and costs, and the debt may be transferred to the Secretary of Treasury (Treasury) for debt collection. The FCC has determined that the funds are owed to the United States pursuant to the provisions of 31 U.S.C. § 3701 and 47 U.S.C. § 254. Because the unpaid amount is a debt owed to the United States, we are required by the DCIA to impose interest and to inform you what may happen if

you do not pay the full outstanding debt. Under the DCIA, the United States will charge interest from the date of this notice, and you will be required to pay the administrative costs of processing and handling a delinquent debt as set by the Treasury. The Treasury will impose additional charges (currently 28% of the debt). Additional information regarding the DCIA is available at 31 U.S.C. §§ 3701, 3711, 3716, 3717 and 3720B, the Federal Claims Collection Standards (e.g. 31 C.F.R. § 900.1, et seq.) and 47 C.F.R. § 1.1901, et seq.

3. Please be advised that when the debt is transferred, you may be subject to an administrative proceeding if one has not already been initiated (see 47 C.F.R. § 1.1910). For example, information about your delinquent account has been or will be reported to credit bureaus (see 31 U.S.C. § 3711(e)) and administrative offset has been or may be applied (see 31 U.S.C. § 3716). Moreover, under 31 U.S.C. § 3720B, a person owing an outstanding non-tax debt that is in delinquent status shall not be eligible for Federal financial assistance. Furthermore, the Debt may be referred to the United States Department of Justice (DOJ) for enforced collection, which may result in additional administrative costs. Separately, we may also request action by the Commission's Enforcement Bureau.

4. Pursuant to the Commission's DCIA Order (FCC 04-72, released Apr. 13, 2004), the FCC will withhold action on any application or request for benefits made by an entity that is delinquent in its non-tax debts owed to the Commission and shall dismiss such applications or requests if the delinquent debt is not resolved. The Commission has generally referred to this as the "Red Light Rule". This rule applies to the Schools and Libraries Universal Service Support Mechanism. The Fifth Report and Order (FCC 04-190, released Aug. 13, 2004) directed USAC to dismiss any outstanding requests for funding commitments if an entity has not paid the outstanding debt, or made otherwise satisfactory arrangements within 30 days (See Fifth Report and Order at ¶ 42). Therefore, pursuant to the DCIA Order and the Fifth Report and Order, failure to make full payment or arrangements for payment within 30 days of the date of this letter may cause USAC to place you under the provisions of the Red Light Rule. For more information on the Red Light Rule, please see "Red Light Frequently Asked Questions (FAQs)" posted on the FCC website at [http://www.fcc.gov/debt\\_collection/fag.html](http://www.fcc.gov/debt_collection/fag.html). In determining whether an entity is delinquent for purposes of the Red Light Rule, the Commission matches the FCC Registration Number of the applying entity to its database of debts; the applicant's FCC Registration Number will be linked to all other FCC Registration Number's associated with the same Taxpayer Identification Number (TIN). To obtain an FRN, go to the registration site <https://svartifoss2.fcc.gov/cores/CoresHome.html>

#### Opportunity of Inspection and Review

5. You have an opportunity to inspect and copy the invoices and the records pertinent to the debt. The Notification of Commitment Adjustment Letter constituted a notice of your opportunity to appeal the validity of the debt. However, if you have evidence that all or part of the Debt has been paid and is no longer delinquent, you must present it to us within fifteen (15) days of the date of this Demand. If your debt is under appeal, either at USAC or the FCC, you will not be transferred under the DCIA to the Treasury for further collections activities.

#### Opportunity to Request Repayment Agreement

6. You have an opportunity to request a written repayment agreement (which includes a Promissory Note) to pay the full amount of the debt. If due to financial hardship you are unable to pay the full amount of the past due invoice in a lump sum, you may contact our Customer Service Office to request an installment payment plan, which will require the payment of interest and execution of a promissory note. If you fail to pay the installment payment plan amount in full, plus accrued interest, penalties, and administrative charges, several administrative or judicial actions may result. First, your delinquent account

information will be reported to credit bureaus, your account will be subject to administrative action by the FCC and the Treasury, including administrative offset, denial of certain federal benefits, withholding of action on any pending application (see 47 C.F.R. § 1.1910 (Red Light)), and referral to private collection attorneys. Next, we may refer the circumstances of your delinquency to the FCC's Enforcement Bureau for further action. Finally, your delinquent debt may be transferred to either the Treasury for further administrative collection or the DOJ for enforced collection.

To provide evidence that all or part of the Debt has been paid or request an installment payment plan, you may notify us in writing by mail or facsimile transmission at the following address and telephone number:

Schools and Libraries Division-  
Correspondence Unit  
30 Lanidex Plaza West, P.O. Box 685  
Parsippany, NJ 07054-0685  
Phone Number: 973-581-5395  
Fax Number: 973-599-6582

If USAC has determined that both the applicant and the service provider are responsible for a program rule violation, then, pursuant to the Order on Reconsideration and Fourth Report and Order (FCC 04-181) (Fourth Report and Order), USAC will seek recovery of the improperly disbursed amount from BOTH parties and will continue to seek recovery until either or both parties have fully paid the debt. If USAC has determined that both the applicant and the service provider are responsible for a program rule violation, this was indicated in the Funding Commitment Adjustment Explanation on the Funding Commitment Adjustment Report.

If USAC is attempting to collect all or part of the debt from both the applicant and the service provider, then you should work with the applicant to determine who will be repaying the debt to avoid duplicate payment. Please note, however, that the debt is the responsibility of both the applicant and service provider. Therefore, you are responsible for ensuring that the debt is paid in a timely manner.

Please remit payment for the full "Funds to be Recovered from Service Provider" amount shown in the Report. To ensure that your payment is properly credited, please include a copy of the Report with your check. **Make your check payable to the Universal Service Administrative Company (USAC).**

If sending payment by U. S. Postal Service or major courier service (e.g. Airborne, FedEx, and UPS) please send check payments to:

Universal Service Administrative Company  
Lock Box 105056  
1075 Loop Road  
Atlanta, GA 30337  
Phone: 404-209-6377

Local messenger service should deliver to the Lockbox Receiving Window at the above address.

**PAYMENT MUST BE RETURNED IMMEDIATELY.**

Complete program information is posted to the SLD section of the USAC web site at [www.usac.org/sl/](http://www.usac.org/sl/). You may also contact the SLD Technical Client Service Bureau by e-mail using the "Submit a Question" link on the SLD web site, by fax at 1-888-276-8736 or by phone at 1-888-203-8100.

Universal Service Administrative Company  
Schools and Libraries Division

cc: David Markowitz  
KOLLEL L'HORAUH

Funding Commitment Adjustment Report  
for Form 471 Application Number: 820336

Funding Request Number:	2232954
Services Ordered:	INTERNAL CONNECTIONS
SPIN:	143034503
Service Provider Name:	Lion Communications, Inc.
Contract Number:	n/a
Billing Account Number:	
Site Identifier:	16064106
Original Funding Commitment:	\$25,320.55
Commitment Adjustment Amount:	\$25,320.55
Adjusted Funding Commitment:	\$0.00
Funds Disbursed to Date:	<sup>1</sup> \$25,320.55
Funds to be Recovered from Service Provider:	\$25,320.55
Funding Commitment Adjustment Explanation:	

After a thorough review, it was determined that the funding commitment for this request must be rescinded in full. During a review, it was determined that funding was provided for the following ineligible items: Redundant Bogen Quantum Multicom equipment. The pre-discount cost associated with these items is \$28,133.94. At the applicants 90 percent discount rate, this resulted in an improper commitment of \$25,320.55. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, [www.usac.org/sl/about/eligible-services-list.aspx](http://www.usac.org/sl/about/eligible-services-list.aspx) for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the service provider.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR  
CHECK TO ENSURE TIMELY PROCESSING

---

<sup>1</sup> Please note that if the Funds to be Recovered from the Service Provider is less than what was reported on the Notification of Commitment Adjustment Letter or the 1st Demand Payment Letter, it's because you have partially repaid the debt or because the applicant has partially repaid the debt.

Funding Request Number: 2232973  
Services Ordered: INTERNAL CONNECTIONS MNT  
SPIN: 143034503  
Service Provider Name: Lion Communications, Inc.  
Contract Number: n/a  
Billing Account Number:  
Site Identifier: 16064106  
Original Funding Commitment: \$1,520.43  
Commitment Adjustment Amount: \$1,520.43  
Adjusted Funding Commitment: \$0.00  
Funds Disbursed to Date: 1 \$1,518.75  
Funds to be Recovered from Service Provider: \$1,518.75  
Funding Commitment Adjustment Explanation:

After a thorough review, it was determined that the funding commitment for this request must be rescinded in full. During a review, it was determined that funding was provided for the following ineligible items: Maintenance charges on ineligible redundant Bogen Quantum Multicom equipment. The pre-discount cost associated with these items is \$1,672.47. At the applicants 90 percent discount rate, this resulted in an improper commitment of \$1,520.43. FCC rules provide that funding may be approved only for eligible products and/or services. The USAC web site contains a list of eligible products and/or services. See the web site, [www.usac.org/sl/about/eligible-services-list.aspx](http://www.usac.org/sl/about/eligible-services-list.aspx) for the Eligible Services List. On the SPAC Form, the authorized person certifies at Item 10 that the service provider has billed its customer for services deemed eligible for support. Therefore, USAC has determined that the service provider is responsible for this rule violation. Accordingly, the commitment has been rescinded in full and USAC will seek recovery of any improperly disbursed funds from the service provider.

PLEASE SEND A COPY OF THIS PAGE WITH YOUR  
CHECK TO ENSURE TIMELY PROCESSING

---

<sup>1</sup> Please note that if the Funds to be Recovered from the Service Provider is less than what was reported on the Notification of Commitment Adjustment Letter or the 1st Demand Payment Letter, it's because you have partially repaid the debt or because the applicant has partially repaid the debt.